

Comments and Responses on ARC 7356B  
Addition of Medicaid Requirements for Assignment of Third-Party Payments  
Received December 10, 2008

The following persons and organizations provided written comments, which are included in the summary below:

Lawrence Carl, executive director, Iowa Dental Association  
Vince Mandracchia, DPM, president, Iowa Podiatric Medical Society

COMMENT: ...42 CFR 433.145(c) [states] "A State plan must provide that the assignment of rights to benefits obtained from an applicant or recipient is effective only for services that are reimbursed by Medicaid." We would request that this language be incorporated into these proposed revisions [to clarify] that the Department would only be able to obtain the assignment of benefits in situations where Medicaid benefits have already been paid. (Mandracchia)

COMMENT: The IDA proposes that Iowa Administrative Code section 441-75.2(2)[“a”] be revised to read as follows in order to make it consistent with the federal rules and to clarify that the Medicaid assignment rule is only effective in circumstances where Medicaid has provided payment for dental or other health care services

- a. Assign to the department any rights to payments of medical care from any third party **to the extent that payment has been made under the medical assistance program**. The applicant’s signature on any form listed in 441--subrule 76.1(1) shall constitute agreement to the assignment. The assignment shall be effective for the entire period for which medical assistance is paid.

The IDA believes this change will permit dental and other health care providers to continue to directly bill and collect any private insurance available to Medicaid recipients prior to billing Medicaid for services rendered. The specific situation where this proposed rule is most likely to impact dental providers is where a child that is receiving Medicaid benefits also has insurance benefits available through a noncustodial parent. In situation such as this, the dentist currently bills and would like to continue billing the noncustodial parent’s insurance instead of Medicaid for the child’s dental care.

The IDA’s concern is that the section of the proposed rule requiring a Medicaid recipient to “assign to the department any rights to payments of medical care from any third party” means that the insurance benefits available under the parent’s insurance would have to be assigned to DHS and the dentist would not have the ability to bill the parent’s insurance. Instead, the dentist would be forced to only bill Medicaid for the services rendered. Following Medicaid payment for the child’s dental care, DHS would then proceed to seek reimbursement from the parent’s insurance.

The IDA’s proposed change to the noticed rule would eliminate this concern because it would clarify that the assignment of other benefits to DHS would only occur in situations where Medicaid benefits have already been paid not just in situations where Medicaid benefits are available. (Carl)

COMMENT: [A]lthough we do not believe that this situation would occur, we would request that language be included in the proposed revisions to state that any private third party payer(s) would be responsible for only the amount up to or equal to what was paid out by Medicaid. (Mandracchia)

RESPONSE: The Department will revise rule 441--75.2(2)“a” to add, "to the extent that payment has been made under the medical assistance program"